

Daily Economic News Summary:13 March 2020

1. India part of US-led initiative to share info on integrating science into coronavirus response

Source: Livemint ([Link](#))

India is part of a US-led global initiative to share information on integrating science into coronavirus response, according to a White House statement. Besides the US and India, the UK, Australia, Brazil, Canada, Germany, Italy, Japan, New Zealand, Singapore and South Korea are part of the initiative. The second conference call by the science ministers and chief advisors of these countries was held on 11 March and it was convened by the Director of the White House Office of Science and Technology Policy Dr Kelvin Droegemeier. "Following the first (conference) call last week, we'll continue ongoing frequent scientific diplomacy," the White House said in the statement.

2. RBI likely to go for inter-meeting cut of 25-40 bps: Barclays

Source: Money Control ([Link](#))

With heightened risk of deterioration in global growth, the RBI is likely to go for an inter-meeting repo rate cut of 25-40 basis points, says a report. On 11 March, the World Health Organization (WHO) officially declared the coronavirus outbreak a pandemic. Following the announcement, the markets took a major hit, with Sensex plummeting 2,919 points. "Given the evolving macroeconomic situation and deteriorating global backdrop, we believe the risks of an intermeeting cut of 25-40 basis points have increased materially," British brokerage Barclays said in its note.

3. RBI to offer \$2 bn worth US dollars on March 16 to sooth forex market

Source: Money Control ([Link](#))

The Reserve Bank on March 12 announced measures to infuse liquidity in the foreign exchange market, including the US dollar swaps worth \$2 billion, as markets crashed amid mounting concerns over coronavirus pandemic. The first buy/sell swap auction will take place on March 16. "On a review of current financial market conditions and taking into consideration the requirement of US Dollars in the market, it has been decided to undertake six-month US Dollar

sell/buy swaps to provide liquidity to the foreign exchange market," the central bank said in a statement. The swaps will be conducted through the auction route in multiple tranches. The auctions will be multiple price. "To begin with, an amount of \$2 billion would be offered on March 16," it said.

4. Commerce ministry reviews corona impact on trade

Source: Financial Express ([Link](#))

The commerce ministry on 12 March held a meeting with key industry bodies and various export promotion councils to gauge the impact of the coronavirus on trade, amid mounting fears over the damaging impact of the pandemic on Indian exports. Already, basmati rice exports dropped 20% year-on-year in January and non-basmati by 14%, oil meals by 64% and cotton garments by almost 4%. Overall merchandise shipments contracted by 1.7% y-o-y in January to \$26 billion, the sixth straight month of contraction. On top of this, a potential shortage of raw materials for sectors, ranging from pharma, chemicals, electronics and solar energy, loom as main raw material supplier China struggles to contain the Covid-19 spread. The situation is expected to have only worsened in February

5. Mobile phones may get costlier: GST rate hike on cards; these items may move to 18% tax slab

Source: Financial Express ([Link](#))

GST rates on mobile phones, fertilisers, man-made fabrics and garments are likely to be hiked to 18 per cent in the next GST Council meeting on March 14. Experts said the rate hike would improve working capital position of the manufactures as it would correct the inverted duty structure but may lead to increase in price of the finished goods. Currently, under the goods and services tax (GST), certain manufactured goods attract a tax rate of 5 per cent or 12 per cent while their inputs, input services and capital goods attract GST at the higher rate of 18 per cent or 28 per cent.

6. IBC: Parliament clears Bill to ring-fence winning bidders

Source: Financial Express ([Link](#))

The Rajya Sabha on 12 March cleared amendments to the insolvency law, which will ring-fence successful bidders of stressed companies from criminal proceedings for offences committed by previous management/promoters. The Lok Sabha had on March 6 approved the Insolvency and

Bankruptcy Code (Amendment) Bill, 2020. It is aimed at replacing an ordinance promulgated in December 2019. It will now require the President's assent to become a law. The Bill also bars a single homebuyer from initiating insolvency proceedings against the real estate firm concerned.

7. A day after India suspends most visas: MEA appoints official to coordinate response

Source: The Economic Times ([Link](#))

The external affairs ministry has appointed a senior official to coordinate India's coronavirus response internationally, a day after the government suspended most visas starting 13 March until the middle of April. External affairs minister S Jaishankar called for calm and said India has been "ahead of the curve" in responding to the pandemic. "Prime Minister himself has reviewed the situation from time to time," he said. "We have been regularly issuing travel advisories and visa guidelines that reflect the situation in countries of concern. In many respects, India has been ahead of the curve in taking precautionary measures."

8. Amazon brings 'voice' to its shopping app in India

Source: Financial Express ([Link](#))

Now customers can shop on Amazon through Alexa in India! With a new feature in the Amazon application, Indian customers can shop through voice which is powered by Alexa. The company has added a voice feature to enhance the customer's shopping experience and ease and convenience. According to the company, the new offering is only available in the Amazon shopping application that too for Android devices. To have this option, customers are expected to update the existing version of the application and download the latest one from the Google Play Store, the company said in a statement.

9. Coronavirus: Exporters seek duty reduction, logistics support from Centre

Source: Business Standard ([Link](#))

Industry and exporters bodies on 12 March sought logistics support and duty reduction from the government to withstand the onslaught of the coronavirus outbreak (COVID-19). At a meeting called by the commerce department, they said products that rely on imports have been affected by the outbreak. Meanwhile, the Department of Financial Services (DFS) has asked the Insurance Regulatory and Development Authority of India (Irdai) to review existing insurance products to ensure risk cover against loss because of abnormal delay in delivery of shipments. Irdai has also been asked to modify the terms and conditions of such policies, if necessary. Ravi Sehgal, chairman of Engineering Export Promotion Council, said there were about 30-40 per

cent engineering products that were seeing increase in exports, but there were others that had imported components, and these were affected. Shipments to Iran, Italy or Southeast Asia were impacted, he said.